

State Connectivity Grant Funding Formula Examples – 2016-17 School Year

Allocations of the State connectivity funds are distributed to schools based on an equity formula. The premise of the formula is that a certain level of connectivity should be provided for all schools at no cost. Resources to accomplish this come from E-rate discounts that schools receive for Internet service and from the State connectivity funds ([SCHOOL AND LIBRARY INTERNET CONNECTION – IC 4-34-3-2](#)). A combination of E-rate discount and state connectivity funds will cover up to \$1,800 of monthly internet service/bandwidth for each public or charter school corporation.

Corporation ABC (uses more than \$1,800/month in service)

- Monthly Bandwidth Cost = \$7,425
- E-rate discount level = 70%
- State Connectivity Fund Allocation = 30% of \$1,800

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| Monthly bandwidth costs from Service Provider (before E-rate discount) | \$7,425 |
| Less E-rate Discount (70%) | (\$5,198) |
| Less State Connectivity Grant Allocation (30%) | (\$540) |
| Local Monthly Cost | \$1,688 |

Corporation JKL (uses less than \$1,800/month in service)

- Monthly Bandwidth Cost = \$1,432
- E-rate discount level = 80%
- State Connectivity Fund Allocation = 20% of \$1,432

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| Monthly bandwidth costs from Service Provider (before E-rate discount) | \$1,432 |
| Less E-rate Discount (80%) | (\$1,146) |
| Less State Connectivity Grant Allocation (20%) | (\$286) |
| Local Monthly Cost | \$0 |

Corporation XYZ (uses exactly \$1,800/month in service)

- Monthly Bandwidth Cost = \$1,800
- E-rate discount level = 72%
- State Connectivity Fund Allocation = 28% of \$1,800

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| Monthly bandwidth costs from Service Provider (before E-rate discount) | \$1,800 |
| Less E-rate Discount (72%) | (\$1,296) |
| Less State Connectivity Grant Allocation (28%) | (\$504) |
| Local Monthly Cost | \$0 |